



# OFFICIAL GAZETTE

## GOVERNMENT OF GOA

### EXTRAORDINARY

#### GOVERNMENT OF GOA

##### Department of Power

Office of the Chief Electrical Engineer

152/1/CEE (TECH)/1994

Policy for Group Captive Power Generation

#### Preamble:

The Government of Goa had notified a Policy for Power Generation vide Notification 152/1/CEE/TECH/3020 dated 25th January 1999, published in the Official Gazette, Series I No. 44, dated 28-1-1999.

In order to encourage private investment in short gestation power plants set up primarily for the captive use of an industry or a group of industries with the objective of providing quality power to those industries in line with the Common Minimum National Action Plan for Power, announced by the Government of India, and in order to further the process of industrial development, the Government of Goa considers it necessary to enunciate a policy on CAPTIVE POWER PLANTS. It is now considered necessary to allow group captive generation to strengthen power availability and augment supplement the existing availability of power. Accordingly, it is decided to frame a policy as follows:—

**1. Short title and commencement:**— (1) This policy may be called the Goa Policy for Group Captive Power Generation, 2000.

(2) It shall come into force with immediate effect and shall remain in force till March, 2002 in the first instance and shall be reviewed thereafter by the Government if required.

**2. Definitions.**— The various types of plants covered under the category of CAPTIVE POWER PLANT are as under :

#### (A) Standby/Dedicated Generating Plant

Many industries feel the need to install standby generating capacity for the purpose of providing emergency electrical supply for its operations in the event of partial or complete failure of the grid supply to which the industry is normally connected. Some continuous process industries also feel the need of a dedicated captive generating unit to ensure quality power for their process and to prevent equipment damage. The investment in such a facility could be made either by the user industry or by a separate investor and the location would be within the compact premises of the user. This should be allowed under the following conditions:

(a) The permission would be given to those industrial units, who apply for consent under section 44 of the Electricity (Supply) Act, 1948 (Central Act 54 of 1948), for generating power for their captive use.

(b) The applicant shall have to get clearances, under the environmental laws and all other clearances as may be required.

(c) They shall obtain fuel at their own cost and responsibility.

(d) They shall not sell power to outside consumers.

(e) They shall submit a record of the energy generated by them every month to the Chief Electrical Engineer.

(f) Those units which owe arrears to the Government, shall have to clear the same in order to qualify for grant of permission/licence.

**(B) Group Captive Generating Plant**

It is sometimes found expedient in order to optimise economy of scale and specialised technical expertise to set up a power generating facility as an independent entity to serve a group of industries within a limited geographical location. Such an investment would be made by a power developer with specialised knowledge in the field and while it supplies electricity it must be proximate to those industries within an area of operation by the Generator and shall be demarcated as under and total corridor allowed is 23.14 Sq. Km.

(i) Area of 1 Km radius from generating plant with a coverage of 3.14 Sq. Km. area.

(ii) Maximum strip of 10 Km x 1 Km from radius of 1 Km (edge of 1 Km) in any two directions.

The promoters should identify the area where such consumers intend to go on group captive generation, or shall locate new area where such new industries are to be located.

**(C) Group Dedicated Generating Plant**

In case of (B) above, it is possible that the consumer industries in order to save costs do not connect to the grid and depend solely on the captive generating capacity for quality power. This situation would evolve into the above category of dedicated generating plant.

**(D) Co-generation from waste gases or as process by product**

In the interests of energy conservation, electricity could be generated as a 'byproduct' of the main manufacturing process or from waste gases. Such captive generation is in the interest of ecology and may be encouraged. As it is not always possible to match the quantity of energy generated in the above manner to the consumption of the same by the unit manufacturing that energy, the group captive concept mentioned under (B) above could be applied to this category also. Such plants would normally not use more than 20% conventional fuel other than waste gases. Furthermore, captive plants using non-conventional sources of energy would also fall under this category.

3. Capacity.— Captive Power Plants shall normally not have a capacity of more than 25 MW. In case of group captive generating plant the capacity shall normally not exceed 75 MW. As per the prevailing generating policy guidelines of Central Electricity Authority, captive plant above a capacity of 25 MW or a power plant with a project cost exceeding Rs.100 crores requires the clearance of the Central Electricity Authority before granting of a licence by the Government of Goa.

4. All persons interested to install Power Plants as described in sub clauses (A) to (D) of clause 2 above in the State of Goa are required to take the prior consent in terms of Section 44 of the Electricity (Supply) Act, 1948 (Central Act 54 of 1948) and previous sanction in terms of Section 28 of the Indian Electricity Act, 1910 (Central Act No. 9 of 1910) from the Government of Goa which would be given as per the following policy:

(I) The power plants shall essentially be group captive dedicated power stations. As such, they shall generate and supply power to identified consumers, who have entered into an agreement with the developer of such power plants. Such power plants would be best suited to serve customers through a dedicated distribution system preferably over small compact areas as described in sub-clause (B) of clause 2 above.

(II) Prospective investors and entrepreneurs based on their study of demand conditions and after finalising negotiations with consumers of power, for production and supply of power shall draw up their project reports and submit their proposals to the Government of Goa giving all relevant details like technology, financing, arrangement, site specifications, proposed consumers written commitment to buy the power generated. These proposals will be processed by the Government and license will be issued in conformity with the provisions of the Electricity (Supply) Act, 1948 (Central Act 54 of 1948) and other statutes and under the terms and conditions indicated in the licence.

(III) Energy from the power plants can be supplied to the identified consumers by setting up a dedicated transmission network by the power transmission licensee after obtaining a license under section 3 of the Indian Electricity Act, 1910 (Central Act 9 of 1910). Similar arrangement can also be finalised for the

dedicated networks established by the power plant developers so as to conform to statutory requirement. Under the amended provision of the Electricity Laws (Amendment) Act, 1998 (No. 22 of 1998) Government may grant a transmission license to construct, maintain and operate any intra-state transmission system under the direction, control and supervision of the State Transmission Utility.

The Government of Goa shall not acquire any land for the developer for laying of lines or for any other purpose. It shall be the responsibility of the developer to acquire the land and obtain the necessary clearances for laying the lines from the Government, local bodies or any other authority as required under the law. Along roads maintained by the Public Works Department, the Government shall charge the developer for laying the lines before permitting them to lay the lines.

(IV) Infrastructure like sub-station and tie line, if any, required for the power plant shall be erected by the transmission licensee at his own cost as per the design and construction practice of the Electricity Department or as laid down in the prevailing code of practice.

No private operator shall allow another private operator to use his lines without the Government's specific approval.

Where it becomes necessary for the power generated by the power plant to be wheeled, using the Electricity Department's transmission network, transmission losses will be accounted as a percentage of energy delivered at the inter-connection point as mentioned below:—

Energy delivered to the consumers of the power plant developer will be after deducting the losses at the below mentioned percentages from the units delivered by the power plant at the inter-connection point.

(i) EHV transmission losses (110 and 220 KV lines)	—	4%
(ii) Sub-Transmission losses (33 KV and 11 KV)	—	6%
(iii) Distribution losses (below 11 KV)	—	10%

In case two or more types of transmissions are being utilised, the transmission losses will be arrived at by adding the values for different categories.

For using Goa Electricity Department's transmission/distribution system, the generator shall pay wheeling charges as specified below.

(1) Up to 15 Km of line, wheeling charges	1/72nd of energy cost
(2) Between 15- 30 Km of line, wheeling charges	1/36th of energy cost
(3) Between 30- 60 Km of line, wheeling charges	1/18th of energy cost
(4) Between 60- 120 Km of line, wheeling charges	1/9th of energy cost

(V) At the discretion of the Government, the Government may purchase the excess power from the generator in exceptional cases. The price for supplies made to the Electricity Department will be at the average cost of National Thermal Power Corporation power purchase by the Electricity Department. Settlement of accounts on prorata basis will be on a monthly basis, with final settlement being done within 3 months.

(VI) The power plants would need to incur scheduled and unscheduled outages due to maintenance requirements and for this purpose may draw power from the grid provided such power is available.

(A) The tariff chargeable for such power drawals shall be as under:

(i) For Plants not normally connected to the grid.

**Planned shutdowns**—At 1.5 times the highest High Tension industrial tariff or 1.5 times the highest tariff charged by Power Generator to its consumers in previous 3 months, whichever is higher.

**Unplanned shutdowns**—At 2 times the highest High Tension industrial tariff or 2 times the highest tariff charged by power generator to its consumer in previous 3 months, whichever is higher.

For the purpose of the above, there will be no Maximum Demand Charge.

(ii) For Plants normally connected to the grid for sale of power.

*Planned shutdowns*— At 1.25 times the highest High Tension industrial tariff.

*Unplanned shutdowns*— At 1.5 times the highest High Tension industrial tariff.

(B) In respect of sub-clause A (i) & (ii) above, for availing the supply of power during scheduled outages, the power plant developer shall need to pay in advance a security deposit equivalent to the estimated consumption of power for a period of 2 months or scheduled outage period, whichever is more. Those who desire to avail power supply for non-scheduled outages, should deposit with the Department, one month's estimated consumption of power.

(VII) Existing industrial consumers who intend to enter into an agreement with the power plant developer should clear all dues payable to the Electricity Department after adjustment of the security deposit/loan guarantee available with the said Department. Group Captive Promoters should obtain a no dues certificate from the Electricity Department in respect of those existing High Tension industrial consumers who intend to avail group captive power supply. The security deposit with the Electricity Department will be refunded after adjusting the amounts, if any, due from them to the Electricity Department for supply of power.

(VIII) Any substantial stakeholder in the power plant project may apply for the permission which may be transferred to the Joint Venture Company or Special Purpose Vehicle eventually promoted for the Captive Power Plants. For this purpose, the definition of a "substantial stakeholder" would be either one of the following:—

(i) A Joint Venture Company/ Special Purpose Vehicle partner having at least a 26% stake in the Joint Venture Company/ Special Purpose Vehicle venture that owns the Captive Power Plants.

(ii) A party that will ensure at least 25% consumption of the power generated by the Captive Power Plants.

(iii) A party that would supply at least 35% of the fuel requirements of the Captive Power Plants. This would be particularly applicable to co-generation plants.

(iv) A party that would both supply at least 15% of the fuel for the Captive Power Plants and consume at least 15% of the power generated by the Captive Power Plants. In this case it should account for at least 75% of his own requirement of power.

(IX) Prospective investors and entrepreneurs shall obtain all the statutory clearances including the clearance from the State Environment and Pollution Control Board, etc., for setting up the power plants.

(X) The generating company shall be liable to pay duty at a rate which may be a maximum upto five paise per unit of generation to be calculated at the generating bus. This duty shall be payable monthly to the Government of Goa and shall be chargeable for power sold to the consumers other than the Government.

(XI) Government may by separate Notification declare its policy for banking of power.

5. This issues in supersession of the Government Notification No. 152/1/CEE/TECH/3020 dated 25/1/1999 published in the Official Gazette, Series I No. 44, dated 28-1-1999.

By order and in the name of the Governor of Goa.

Vijay S. Madan, Secretary (Power).

Panaji, 6th September, 2000 .